

DEPARTMENT OF HEALTH SERVICES

714 / 744 P STREET
P.O. BOX 942732
SACRAMENTO, CA 94234-7320
(916) 654-0499



March 16, 2001

N.L.: 04-0301

Index: Billing Procedure

TO: ALL COUNTY CALIFORNIA CHILDREN'S SERVICES (CCS)
ADMINISTRATORS AND MEDICAL CONSULTANTS AND CHIEF
THERAPISTS AND STATE CHILDREN'S MEDICAL SERVICES (CMS)
BRANCH STAFF

SUBJECT: ELECTRONIC CLAIMING

CCS Information Notice 2000-24, dated October 5, 2000, explained that a report generated by Electronic Data Systems (EDS) for Medi-Cal-eligible beneficiaries with a CCS or Genetically Handicapped Persons Program (GHPP) eligible medical condition, identified \$151 million in expenditures during a three-month period for over 562,000 electronically submitted claims. The Information Notice requested that you submit a list of all providers your program has approved for electronic claims submission.

The results of the request indicated that CCS and GHPP programs have primarily approved hospital facilities to bill electronically. However, the EDS report indicated that a wide range of providers are currently billing through this process. These providers include, but are not limited to, hospitals, physicians, physician groups, pharmacies, durable medical equipment dealers, home health agencies, and laboratories.

We are continually working with the Medi-Cal program to ensure that Medi-Cal funds are appropriately authorized for Medi-Cal beneficiaries with CCS or GHPP-eligible medical conditions. Because the expenditures identified in the EDS report far exceeded the anticipated quarterly expenditures for the programs, it has been determined that controls must be instituted to limit the number of Medi-Cal providers submitting CCS/GHPP authorized claims electronically. Therefore, on May 15, 2001, electronic claim submission for all providers, except CCS/GHPP-approved hospitals, will be discontinued until the implementation of the CCS/GHPP on-line authorization process when all CCS/GHPP-approved providers will be able to submit claims electronically.

In order for CCS/GHPP-approved hospitals to continue electronic claims submission, they must complete a unique CCS/GHPP electronic application/agreement (Enclosure No. 1). This agreement is in addition to the agreement previously approved and in use by the Medi-Cal program. The application/agreement is being sent to approved hospitals by the

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state CCS/GHPP program and must be returned by April 23, 2001, to avoid disruption in electronic claims processing.

Other providers are being sent a provider notice (Enclosure No. 2) informing them of the suspension of electronic claims submission for CCS/GHPP-approved claims. These providers may continue to receive payment for authorized services through submission of paper claims. Physicians serving CCS-eligible children will receive the enhanced rate increases included in the budget for Fiscal Year's 1999 and 2000 as long as paper claims for authorized services are reviewed and approved by the appropriate CCS program prior to submission to EDS.

For your information, Enclosure No. 3 is a list of the providers in your county that billed electronically between January 1, 2000, and December 31, 2000, and that will receive the provider notice. All CCS-approved hospitals in your county will receive a separate letter with an application to apply for approval to submit CCS/GHPP claims electronically. if you have any questions or require further information, please contact the appropriate CCS regional office or the State GHPP.

A handwritten signature in black ink, reading "Maridee Gregory MD". The signature is written in a cursive, flowing style.

Maridee A. Gregory, M.D., Chief
Children's Medical Services Branch

Enclosures

DEPARTMENT OF HEALTH SERVICES

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Enclosure 1



March 16, 2001

Dear Hospital Administrator:

As you have been informed, after May 15, 2001, claims for California Children's Services (CCS)/ Genetically Handicapped Persons Program (GHPP) authorized services delivered to Medi-Cal beneficiaries can no longer be submitted on an electronic basis without your facility receiving separate approval from the Children's Medical Services (CMS) Branch, the part of Department of Health Services (DHS) responsible for the administration of CCS and GHPP.

We are aware you are already approved to submit claims electronically to Medi-Cal. Currently, an on-line record of services authorized by the CCS/GHPP program comparable to the Medi-Cal Treatment Authorization Request system does not exist at Electronic Data Systems (EDS) to verify the authorization of services. Therefore, it is necessary for CCS/GHPP to have a separate approval and post-payment review process to enable your facility to submit claims electronically for Medi-Cal eligible beneficiaries.

This process will **still** require submission for review of the actual paper claims for authorized services to the county CCS program, the state Regional Office, or GHPP program for approval, except for the children residing in counties which are served by the Sacramento Regional Office (see the CCS/GHPP Provider Manual). CCS/GHPP review the claims to ensure that services for which your hospital's billing have actually been authorized. If the claim is approved by CCS/GHPP staff, the claim will be returned to your hospital and the claim can then be submitted electronically to EDS. The approved claim returned to you by the authorizing program must be retained for a three-year period for audit purposes.

Because of the unique claiming process for counties served by the Sacramento Regional Office claims submitted for children residing in those counties be required to continue to being submitted as paper claims to EDS, with copies of the authorization attached to the claim, as per the instructions on page 6-1 through 6-11 of the CCS/GHPP provider manual. With the future implementation of the CCS/GHPP on-line authorization process, all CCS/GHPP approved providers will be able to submit claims electronically regardless of the county of residence of the CCS/GHPP-eligible client.

Enclosed please find the CCS/GHPP Telecommunications Provider Application/Agreement to be completed, signed and returned to Ken Leach of the CMS Provider Unit (as per the enclosed application) **no later than April 23, 2001**. Delay in returning this application will result in your facility's inability to submit claims electronically for Medi-Cal beneficiaries.

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Once the application is reviewed and approved by CMS Branch staff, you will be notified of the effective date for electronic claims submission that will allow your hospital to submit approved claims for CCS and GHPP authorized services for Medi-Cal eligible beneficiaries on a electronic basis to EDS.

If you have any questions, please contact Ken Leach at (916) 322-8725.

Sincerely,

A handwritten signature in black ink, appearing to read "Maridee Gregory". The signature is fluid and cursive, with a large, stylized "M" and "G".

Maridee A. Gregory, M.D., Chief
Children's Medical Services Branch

Enclosure

**California Children Services /Genetically Handicapped Persons Program (CCS/GHPP)
TELECOMMUNICATIONS PROVIDER APPLICATION/AGREEMENT
(For electronic claims submission)**

1 This agreement is between the CCS and GHPP programs and the following provider:

PROVIDER INFORMATION

Provider name (full legal)

DBA (if applicable)

Current Active Medi-Cal Provider number(s) (e.g., abc987654). If you need more space, please attach an additional sheet.

Inpatient Services: _____ \ _____ \ _____ \ _____ \ _____ \

Outpatient Services: _____ \ _____ \ _____ \ _____ \ _____ \

Provider service address (number, street)	City	State	ZIP code
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Contact person

Contact person address (number, street)	City	State	ZIP code
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Contact phone number	Currently assigned Medi-Cal submitter number (for provider or billing service; if service please indicate biller's full legal name)
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Full legal name(s) required as well as any assumed (DBA) name(s), address(es) . The parties identified above will be hereinafter referred to as the "Provider".

2. Provider must be currently approved for electronic claims submission by the Department and agrees to remain a provider in good standing with Medi-Cal, including maintaining approval as a Medi-Cal electronic submitter.
3. Provider must submit all claims for authorized services to the appropriate CCS or GHPP program office for review prior to electronic submission to the Medi-Cal fiscal intermediary.
4. The CCS and GHPP programs agree to accept from the enrolled Provider, electronic claims submitted to the Medi-Cal fiscal intermediary in accordance with Medi-Cal, CCS and GHPP program statutes, regulations, and policies for CCS and GHPP authorized services for Medi-Cal beneficiaries.
5. The Provider agrees to adhere to Medi-Cal, CCS, and GHPP policies and procedures as defined in the Medi-Cal, CCS and GHPP provider manuals, and agrees to read and comply with all provider manual updates and provider bulletins relating to electronic billing and/or reporting.
6. The Provider agrees to keep, for a minimum period of three years from the date of service, hard copies of all records necessary to document receipt of prior authorization from CCS or GHPP for the services furnished to and billed for an eligible patient.
7. The Provider agrees to furnish these records and any information regarding payments claimed for providing the services, on request, within the State of California to the California Department of Health Services; California Department of Justice; Office of the State Controller; U.S. Department of Health and Human Services; or their duly authorized representatives.

8. The Provider agrees to retain personal responsibility, regardless of whether the Provider employs a biller, for the development, transcription, data entry, and transmittal of all claim information for payment. This includes the submission of the provider's usual and customary charges for services rendered.
9. The Provider agrees that failure to make, maintain, or produce source documents shall be cause for immediate suspension of electronic billing privileges for services provided to Medi-Cal beneficiaries with a CCS/GHPP eligible condition.
10. The Provider and the CCS and GHPP programs agree that any changes in Provider status which might affect eligibility to participate in electronic billing pursuant to federal and state law shall be promptly communicated to each party.
11. This agreement shall become effective upon approval by the CCS and GHPP programs.
12. The CCS and GHPP programs, or Provider may terminate this agreement with or without cause by giving 30 days prior written notice of intent to terminate, and the Provider has no right to appeal such termination by the CCS and GHPP programs. The CCS and GHPP programs, may, however, terminate this agreement immediately, pursuant to paragraph 9, upon determination that the Provider has failed or refused to produce or retain source documents in accordance with federal and state law or this agreement. If the Provider is unable to produce source documents on request as previously described, the CCS and GHPP programs, may terminate this agreement immediately by directing its fiscal intermediary to cease payment of any and all electronic claims submitted by the Provider for Medi-Cal beneficiaries with a CCS or GHPP eligible medical condition, including any claims in process on the date of such termination. The Provider has no right to appeal termination for cause pursuant to this subpart prior to the effective date of such termination. However, the Provider may appeal any grievance resulting from the termination in accordance with the procedure established by Title 22, California Code of Regulations, Section 51015, as from time to time amended. The CCS and GHPP programs, may demand repayment of claims for which no source documents are produced, and the Provider shall have the right to appeal such an overpayment finding to the extent provided by Section 14171 of the Welfare and Institutions Code and regulations promulgated pursuant thereto, and as from time to time amended. If the Provider's agreement for electronic claims submission is terminated the Provider may continue to submit hard copy claims.
13. The Provider agrees to provide adequate precautions to protect the confidentiality of CCS/GHPP program beneficiary records and claims submission methods in accordance with California statutes and regulations.

Provider Signature Information

Full printed name	Title
Provider signature (original signature required; DO Not use black ink)	Date

Return Application/Agreement to: Children's Medical Services
Provider Services Unit
Attn: Ken Leach
P.O. Box 942732
611 N. 7th Street, 1st Floor
Sacramento, CA 94234-7320

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Enclosure 2

**March 16, 2001**

Dear California Children's Services (CCS) and
Genetically Handicapped Persons Program (GHPP) Provider:

Effective May 15, 2001, all electronically submitted claims for Medi-Cal beneficiaries with CCS or GHPP eligible medical conditions will be denied.

Although you have approval from the Medi-Cal program to submit claims electronically, no formal process exists currently for CCS or GHPP programs to extend this capability to providers submitting CCS/GHPP approved claims for Medi-Cal beneficiaries or for CCS and GHPP clients who are not Medi-Cal eligible.

CCS and GHPP are responsible for medical case management and authorization of medically necessary services for Medi-Cal beneficiaries with CCS or GHPP eligible medical conditions and for ensuring state and federal health care funds are expended appropriately.

A recent report generated by the Department of Health Services, identified \$151 million was paid during a three month period for over 562,000 electronically submitted claims for the CCS population. The report generated concern because expenditures far exceeded the anticipated quarterly expenditures for the programs. Therefore, it is necessary to suspend electronic submission for all providers, except CCS/GHPP approved hospitals, until the implementation of the CCS/GHPP on-line authorization process when all CCS/GHPP approved providers will be able to submit claims electronically.

In order for CCS/GHPP approved hospitals to continue electronic claims submission, they must complete a unique CCS/GHPP electronic application/agreement. This agreement is in addition to the agreement previously approved and in use by the Medi-Cal program. The application/agreement will be sent to approved hospitals under separate cover and must be returned to the state CCS/GHPP program by April 23, 2001 to avoid disruption in electronic claims processing.

Other providers may continue to receive payment for authorized services through submission of paper claims as described in the CCS/GHPP Provider Manual. Physicians will receive the enhanced rate increases included in the Budget for Fiscal Year 199 and 2000 as long as paper claims for authorized services are reviewed and approved by the

California Children's Services (CCS) and
Genetically Handicapped Person Program (GHPP) Provider
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appropriate CCS program prior to submission to the State's fiscal intermediary, Electronic Data Systems.

If you have any questions or require further information, please contact the appropriate CCS program office or the state GHPP.

Sincerely,

A handwritten signature in black ink that reads "Maridee A. Gregory". The signature is written in a cursive, flowing style. The first name "Maridee" is written in a larger, more prominent script, and "A. Gregory" follows in a similar but slightly smaller script. The signature is positioned above the printed name and title.

Maridee A. Gregory, M.D., Chief
Children's Medical Services Branch